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SUBJECT: MEDIA REACTION: MUSHARRAF IMPEACHMENT; MERCOSUL

After Musharraf

Editorial in center-right O Estado de S. Paulo (08/20) says: "...In the short term, it is expected that the165 million Pakistanis will realize that the country won with the end of the [Musharraf] government of almost a decade and, lately, devoid of legitimacy... While the Americans supplied the Pakistani military budget with declared resources in the amount of US\$10 billion, part of which was transferred to support weakened public finances and, certainly, private banking accounts, Musharraf advanced seeking dictatorial power... Political stability in Pakistan is crucial in combating terrorism, among other reasons, because it is the only country with a Muslim majority that has nuclear arms. Let's see how the architects of Musharraf's fall will behave - the former Premier Nawaz Sharif and Asif Zardani, the widow of Benazir Bhutto who now leads the major national party."

## The Mercosul Agenda

Lead editorial in center-right O Estado de S. Paulo (08/20) comments: "To resume the negotiations for a trade agreement with European Union, held for four years, is the most ambitious item on the Brazilian [trade] agenda during its temporary presidency of Mercosul this term... These negotiations will be the first important step of Mercosul since the failure of the Doha negotiations. The first challenge will be to define the level of ambition for a trade agreement. The Europeans will hardly offer more than they have offered in the multilateral round. On the other side of the table, Mercosul members will, once again, face difficulties forming a consensus on concessions in the trade sector. ... Everything will be much more difficult with the inclusion of Venezuela. ... It makes no sense to have a partner that imposes conditions and demands changes in the bloc. Mercosul will be an extra instrument for President Hugo Chavez to promote himself, thanks to another mistake in diplomacy by the Worker's Party."